

PEOPLE  
Tax Collectors Say  
F's Piggy-bank Savings  
...  
SHIPPING  
...  
Page 2  
FOR MORE  
CLASSIFIED

The Global Newspaper  
Edited and Published  
in Paris  
Printed simultaneously  
in Paris, London, Zurich,  
Hong Kong, Singapore,  
The Hague, Marseille,  
Miami, Rome.

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Algeria... 600 Fr.  
Australia... 275 A.  
Belgium... 350 B.  
Canada... 1.25 C.  
France... 100 F.  
Germany... 1.00 M.  
Italy... 1.00 L.  
Japan... 100 Y.  
Netherlands... 1.00 G.  
Spain... 100 P.  
Switzerland... 1.00 S.  
United Kingdom... 1.00 £.  
United States... 1.00 \$.

No. 32,469 29/87

LONDON, THURSDAY, JULY 16, 1987

ESTABLISHED 1867

## U.S. Trade Gap Widens; Dollar Is Down Sharply

By Stuart Aucbach  
Washington Post Service  
WASHINGTON — The U.S. merchandise trade deficit rose to \$14.4 billion in May, breaking a two-month streak of improving trade figures that had led to predictions that five years of record deficits had ended, the Commerce Department said Wednesday. The report sent the dollar tumbling against other major currencies.  
The dollar, after showing strength over the past week, lost two percent against the Deutsche mark to close in London at 1.8285 DM. With some market participants convinced the dollar has to fall further to correct the deficit, the U.S. currency also slumped by more than two yen, to finish at 148.65 yen. See Page 9.  
The major cause of the 8 percent increase in the U.S. trade deficit from \$13.3 billion in April was record imports, totaling \$34.8 billion. This figure surprised forecasters, some of whom had predicted the overall deficit would fall to around \$13 billion. The previous import record, \$34.7 billion, was recorded in March, when the total deficit was \$13.6 billion.  
But economists noted that the falling value of the dollar, which helps U.S. overseas sales, also increases the price of imported goods and makes the actual volume of goods appear larger.  
But the May figures contained a big bright spot for American competitiveness — the fourth straight month of increases in U.S. sales overseas and the third straight month when those sales exceeded \$20 billion. Further, the export surge was carried by a 2.1 percent increase in overseas sales of manufactured goods, an area of recent U.S. sluggishness.  
The increase in the trade deficit came as the Senate was debating a major trade bill, which became stalled Wednesday over several largely technical issues. These included the renegotiating of trade agreements with the Gulf and an effort by oil state



A helicopter and a winchman lifting a woman to safety from the French campground that was struck by a mudslide.

## Mudslide Kills 22 At French Campsite

The Associated Press  
ANNECY, France — Fifty persons were killed or reported missing after a mudslide collapsed a mountain of mud and water from a rain-swollen river swept into a campsite filled with vacationers near here, authorities said Wednesday.  
Hundreds of rescue workers were digging through dirt and rocks in the French Alpine village of Le Grand Bornand. By midday, the death toll had reached 22, with 28 others feared dead. Ten persons were seriously injured and dozens were treated for shock.  
A statement from the government of the Haute Savoie region said 17 of the dead were found at the campground or along the route of the torrential current. Swiss police said they found an 18th body in the Arve River on the outskirts of Geneva, 30 miles (48 kilometers) northwest of Le Grand Bornand. Officials in Annecy said that Swiss police had reported seeing four bodies that still have not been recovered.  
The dam of rocks holding back the Arve River near the village

## Poindexter Says He Kept Key Details From Reagan

### The President Can't Recall Signing Deal

United Press International  
WASHINGTON — President Ronald Reagan, watching his former national security adviser, Rear Admiral John M. Poindexter, testify before the select committees investigate the Iran-contra affair, does not recall signing a December 1985 finding that authorized an arms-for-hostages deal with Iran, Mr. Reagan's spokesman said Wednesday.  
"The president still believes in his mind that it started as a strategic opening to Iran" attempting to establish contact with Iranian moderates, said the chief White House spokesman, Martin Fitzwater.  
"Gratified by testimony that he was not told of the diversion of Iran arms sales profits to the Nicaraguan rebels, a buoyant Mr. Reagan said Wednesday: 'What's new about that? I've been saying it for seven months.'"  
He made the comment to a shouted question as he walked back to the White House from the Executive Office Building where he addressed a minority business group.  
Speaking of the finding authorizing the exchange of arms for hostages, Mr. Fitzwater said, "He does not remember he signed it, though he doesn't disagree with those who say he did."  
Mr. Fitzwater added that "the president still believes he was trying to have a strategic opening to Iran" rather than authorizing an arms-for-hostages swap.  
"The admiral, himself, said it was a cover-your-ass memo," Mr. Fitzwater noted. "He does not remember signing it."  
He said that the president was watching the hearings on Wednesday.



Rear Admiral John M. Poindexter

### Didn't Relay Diversion of Contra Funds

The Associated Press  
WASHINGTON — Rear Admiral John M. Poindexter testified Wednesday that he deliberately never told President Ronald Reagan about the diversion of Iranian arms sale profits to the Nicaraguan rebels to shield Mr. Reagan from political harm.  
However, in his nationally televised testimony to Congress, Admiral Poindexter said that contrary to Mr. Reagan's oft-stated assertions, the president initially signed a "finding" approving the sale of weapons to Iran as a straight arms-for-hostages swap.  
Admiral Poindexter is the president's former national security adviser. The December 1985 finding signed by Mr. Reagan retroactively authorized involvement by the Central Intelligence Agency in a November 1985 shipment of Hawk missiles to Iran.  
The admiral told the House and Senate committees investigating the Iran-contra affair that he later destroyed the document bearing Mr. Reagan's signature to spare him political embarrassment.  
"I tore it up and put it in the burn bag behind my desk," Admiral Poindexter said, after Attorney General Edwin Meese 3d told him on Nov. 21 that he was beginning an inquiry into the arms sales.  
Of the decision to divert profits from the sales to the Nicaraguan rebels, he said: "I made a very deliberate decision not to ask the president so that I could insulate him from the decision and provide some future deniability for him if it ever leaked out."  
He conceded that he realized if word of the diversion got out, it would be a significant political embarrassment to the president.  
Echoing a statement made frequently by Mr. Reagan, he added: "The buck stops here with me."  
At the same time, Admiral Poindexter said he was certain that, had he taken the plan to Mr. Reagan, the president would have approved it because it was a good idea.  
Admiral Poindexter spoke calmly and occasionally puffed on his pipe as he described events at the very highest levels of the Reagan administration. On two central points, he portrayed himself as a loyal staff aide determined above all to protect his president from political damage.  
"I wanted the president to be protected" if the diversion of arms sales profits ever became public, the admiral said. He added that he never discussed the diversion with any official high in the Reagan administration until Mr. Meese launched an inquiry in November.  
"The buck stops here with me,"

'I made a very deliberate decision not to ask the president so that I could insulate him from the decision and provide some future deniability for him if it ever leaked out.'

— Rear Admiral John M. Poindexter

## Poindexter Says He Sought 'To Protect' the President

The Associated Press  
WASHINGTON — Following are excerpts of Wednesday's testimony by Rear Admiral John M. Poindexter to the House and Senate committees investigating the Iran-contra affair:  
Arthur Liman, the chief Senate counsel: Admiral, are you familiar with the events of the Iran initiative?  
Admiral Poindexter: Mr. Liman, I decline to answer that question under my rights under the Constitution.  
Mr. Liman: Including the Fifth Amendment?  
Admiral Poindexter: The Fifth Amendment...  
Representative Lee H. Hamilton, the chairman of the House Select Committee: Admiral Poindexter, I am hereby communicating to you, an order issued to the House Select Committee, by the United States District Court, for the District of Columbia. The order provides, in substance, that you may not refuse to provide evidence on the basis of your privilege against self-incrimination...  
Mr. Liman: During... November of 1985, did you get drawn into a...  
See POINDEXTER, Page 6

## Klosk Waldheim Gets Cairo Invitation

VIENNA (Reuters) — Foreign Minister Ernst Alois Kolarik of Austria said Wednesday that he had invited President Kurt Waldheim of Austria to visit Egypt.  
Mr. Alois Meguid was speaking at a news conference before leaving for Cairo talks with Austrian leaders centering on moves to convene an international conference on the Middle East. He said a date for the visit had not been set.  
Mr. Waldheim, who visited Jordan last week, has still to be publicly invited by a Western state, other than Vatican City, amid international concern over his role in the German Army in World War II.

## Aspin Criticized for Giving Details Of U.S. Plan for Naval Escorts in Gulf

By John H. Cushman Jr.  
New York Times Service  
WASHINGTON — A leading congressman has drawn criticism from the Reagan administration for disclosing details of plans for U.S. escorts of Kuwait oil tankers after a briefing by cabinet members.  
Administration officials immediately assailed the legislator, Representative Les Aspin, Democrat of Wisconsin, for disclosing on Tuesday what they termed classified information. They suggested that details of the operation might change as a result of the disclosure.  
Mr. Aspin, who is the chairman of the Armed Services Committee, said he had been told that the escorts would begin July 22. The Senate minority leader, Bob Dole of Kansas, also confirmed that congressional leaders were told that the escorts would begin July 22.  
Pentagon officials, surprised by the disclosure, said they would not confirm the date. The White House also refused Tuesday night to confirm the date.  
Defense Secretary Casper W. Weinberger said Monday that the move was imminent, but that it was unlikely to occur this week. Other administration officials had said Tuesday that the operation was likely to begin next week.  
Mr. Aspin made the announcement as he left a meeting on Capitol Hill where he and other congressional leaders were briefed by Mr. Weinberger, Secretary of State George P. Shultz, Admiral William J. Crowe Jr., the chairman of the Joint Chiefs of Staff, and Frank C. Carucci, President Ronald Reagan's national security adviser.  
Mr. Aspin, who has opposed the

## U.S. Charges Pakistani With Trying To Buy Metal Used in Atomic Arms

By Michael R. Gordon  
New York Times Service  
WASHINGTON — A Pakistani citizen has been arrested in Philadelphia on charges that he tried to export material to Pakistan that could be used in making nuclear weapons.  
Members of Congress and Reagan administration officials said that the arrest Friday had major implications for U.S. policy toward Pakistan.  
The Pakistani, Arshad Z. Pervez, was arrested after he allegedly sought to buy and send 25 tons of a special steel alloy to Pakistan. Mr. Pervez is being held without bail.  
The arrest followed a 20-month undercover investigation in which American business executives pretended to go along with the sale of the banned material, and in which U.S. and Canadian investigators assumed the role of company officials and Commerce Department licensing officers.  
Congress adopted legislation in 1985 stipulating that U.S. assistance should be cut off if the president found that a nation had tried to acquire American material illegally for making a nuclear device.  
State Department officials said the United States had sought an explanation of the case from Pakistan but had not yet received one.  
In June 1984, another Pakistani, Nazir Ahmed Vaid, was arrested in Houston while trying to smuggle krypton, electronic switches that can trigger nuclear bombs, to Pakistan. He was allowed to plead guilty to a reduced charge, was given a mild sentence and then deported.  
Representative Stephen J. Solari, Democrat of New York, chairman of the House Foreign Affairs subcommittee on Asia, said Tuesday that Pakistan appeared to have exhibited "a blatant disregard for American law."  
"If we don't enforce the law, it will make a mockery of our non-proliferation policy," he said.  
Mr. Solari has supported administration requests to provide aid to Pakistan but he is also the sponsor of the 1985 congressional legislation.  
"Pakistan's actions create a real dilemma for the United States," said Mr. Solari, who noted Paki-



The National Aeronautics and Space Administration is planning to study lightning by shooting little rockets into thunderclouds. Page 7.

## GENERAL NEWS

- Vietnam is testing capitalism to boost its economy. Page 2.
- The French say Iran blocked the departure of two persons at its embassy in Tehran. Page 2.
- The U.S.-Greek dispute over American military bases could weaken NATO. Page 3.
- SPORTS
- A 13th-inning triple by Tim Lincecum gave the National League a 2-0 victory in baseball's All-Star Game. Page 15.
- BUSINESS/FINANCE
- U.S. business inventories rose 0.7 percent in May in another sign of sluggishness. Page 9.
- Oil prices rose to the highest level in 18 months as tension rose in the Gulf. Page 9.

## Selling Luxembourg: Europe's Test Market?

By Peter Maass  
International Herald Tribune  
LUXEMBOURG — After a while, it gets tiresome being known as one of the world's tiniest nations.  
True, Luxembourg is smaller than Rhode Island, and it has only 500 soldiers in its army, hardly enough for a decent parade. It is also true that the main airport has just one runway.  
But for the 350,000 citizens of this nation, where small really is regarded as beautiful, the jokes turned stale a long time ago. There are advantages to being small — just ask Louis Mevis, director of the Luxembourg Institute for Social Research and Market Studies, a private firm.  
Mr. Mevis is touting Luxembourg as a place where international companies can have small-scale tryouts of new products or new advertising campaigns. Because of Luxembourg's multinational makeup, a product or ad that works here could work in much of Western Europe, he contends.  
"It's no longer sensible to do research in each European country," said Mr. Mevis, who is Dutch. "You should look for a centralized option. That's what Luxembourg offers."  
If Europe has a melting pot, Luxembourg is probably it. Consider the following:  
● Foreigners make up a quarter of the population, with most coming from France, West Germany and Belgium. A large number of second-generation Italians and Portuguese also call Luxembourg home.  
● This is a country of consumers speaking French, German and English. The average income is among the highest in Western Europe.  
● Nearly a third of the population listens to the same radio station at midday, and more than half of them shop at one of two supermarket chains. That means it is easy to reach consumers and gauge their reactions.  
Quite simply, Mr. Mevis wants Luxembourg to become the West European equivalent of Peoria, Illinois. Peoria has been the quintessential American test market because it reputedly has a perfect cross-section of consumers. "Will it play in Peoria?" has become another way of asking whether America will like it.  
But will it play in Luxembourg? Possibly. P&C Ferrero SpA, a large Italian food compa-

ny, has taken the first step by setting up a 50-person marketing firm in Luxembourg. The firm, called Soremark, helps Ferrero develop products by interviewing Luxembourgers to gauge their reactions to, for example, a new candy bar.  
Soremark's staff psychologists interviewed nearly 1,000 consumers in Luxembourg last year, asking questions about their feelings about new food products. "You can get consumer reaction very quickly and very cheaply in Luxembourg," said a senior official at Soremark.  
Several international companies, including Unilever group, have used Mr. Mevis's company to do occasional market tests in Luxembourg.  
Mr. Mevis says that instead of doing costly and time-consuming test marketing in France, West Germany and Belgium before full-scale launching of products there, companies can save time and money by performing the tests in Luxembourg.  
But Mr. Mevis, who started his institute in 1977 and now has seven employees, faces some



# In San Francisco, Haven For Homosexuals Copes Somberly With AIDS

By Robert Lindsey  
New York Times Service

**SAN FRANCISCO** — In the once-bustling Castro district here, empty storefronts are beginning to appear and "for sale" signs are adorning many of the beautifully restored Victorian homes.

In this neighborhood that gained renown for its culture of openly expressed homosexuality, the predominant concern of the living is now dealing with death and dying. So many people have died of AIDS that many residents say they can no longer count the number of friends they have lost.

One resident, Kevin George, says that he lost count at 22. "You're always in mourning for someone," he said, "and you know there's going to be more."

Another resident, Allan Barab, said he had stopped counting at 30. "I'm learning how to incorporate grieving into my daily life," he said, "so it's now as much a part of my life as eating and sleeping."

acceptance and influence in San Francisco, many homosexuals elsewhere would say the Castro example made it easier to acknowledge their sexual preference. The neighborhood became both a symbol of success and a prototype for similar enclaves in other cities.

The late 1970s and early 1980s were a period of anything-goes sexual liberation for San Francisco's homosexual community. On some nights, thousands of men, many seminude or wearing costumes, women's clothing or heavily studded leather, overflowed onto the sidewalks, some tumbling heterosexual couples who had ventured into their neighborhood as "trespassers."

It was not uncommon for some men to have sexual contacts with 20 or 30 partners in an evening at bath houses featuring "orgy rooms" and other facilities designed to encourage multiple sexual contacts.

These days, all-male crowds still congregate at the Phoenix, the Twin Peaks, the Elephant Walk and other bars that have long been neighborhood fixtures. Young male hustlers still cruise Castro Street, offering with a quick glance the promise of sex for a price.



Prime Minister Andreas Papandreu announcing in May that any new accord with the United States over the future of U.S. bases in Greece would be put to a referendum.

# U.S.-Greek Rift Seen Weakening NATO

By Alan Cowell  
New York Times Service

**ATHENS** — Shortly after Washington's latest dispute with Athens erupted last month, the Greek authorities announced that Prime Minister Andreas Papandreu had exchanged letters with the Soviet leader, Mikhail S. Gorbachev.

The letters seemed businesslike and amicable. Mr. Gorbachev offered his agreement with "the unanimous demand of the Greek people" that the four main American bases in Greece, part of the defenses of the North Atlantic Treaty Organization, "should be removed from the country."

Mr. Papandreu was reported to have suggested that, whatever else happened to the American bases in Greece after the current agreement on them expires next year, they would not be used for hostile acts against friendly third powers.

the Western alliance and with precedents for other West European nations that are mistrustful of the United States and open to Moscow's antiwar overtures.

But to other Greek and foreign observers, the implication was that Mr. Papandreu had committed himself to the highest stakes yet in his protracted and often contradictory pursuit of an answer to a central issue: how to maintain the protection offered by an alliance with the United States without visibly reneging on electoral promises to sever the military relationship with NATO and Washington.

The crisis built last month after the U.S. ambassador, Robert Vossler Koeley, protested to the Greeks about their purported negotiations with Abu Nidal.

day by saying a visit by a senior State Department official, Michael H. Armacost, would not be welcome until the United States retracted its charges regarding Abu Nidal.

Even before the latest crisis, Mr. Papandreu had irritated some U.S. policy makers by saying that any new agreement on the bases would be put to a referendum.

If recent public opinion polls in Athens reflect the reality, such a referendum would endorse any agreement on the bases depicted as protection against Turkey, a neighbor and NATO ally that is seen in Athens as the nation's greatest threat.

early elections. The government denied any such plans.

Those elections, the reports said, would be contested on an anti-American platform and thus would pre-empt a loss of leftist support for Mr. Papandreu's Socialist Party resulting from a new deal with Washington on the American bases.

Mr. Papandreu's cordiality toward Mr. Gorbachev also might win leftist backing vital to his political survival, while goading Washington into concessions on a new base agreement, Greek commentators said. But that, too, seems hazardous.

# Armed Citizens in Panama Join Police in Battling Protesters

By Stephen Kinzer  
New York Times Service

**PANAMA CITY** — As anti-government protests in Panama enter a sixth week, demonstrators find themselves confronting not only uniformed soldiers and the riot police but also paramilitary squads of armed civilians.

On some occasions, the squads have appeared to be acting in cooperation with the police. Witnesses have identified prominent members of the ruling Democratic Revolutionary Party as participants in paramilitary activities.

an unknown number of protesters wounded or imprisoned. Most of the wounds were from shotgun pellets.

The squads were first seen at the end of June, when a business community owned by a prominent opposition leader was set on fire. Riot police officers stood by.

President Eric Arturo Delvalle announced Tuesday an amnesty for demonstrators arrested during the street protests last week.

Opposition leaders confirmed that detained demonstrators were being freed from Modelo Prison in Panama City. However, they noted that the government has not officially announced how many demonstrators were arrested.

Government leaders, especially General Noriega, have characterized the demonstrators as well-to-do white bigots angered that blacks and Indians now hold positions of power in Panama.

"The demonstrators are white because those people don't like blacks," General Noriega said over the weekend.

the kind of human rights Noriega loves to talk about."

According to bankers and businessmen, Panama is suffering grave economic losses from the protests.

**While in Madrid Remember... GRASSY**

Jewels-Works of Art-Watches  
Free tax for foreign visitors, 33% off

Main distributor:  
PIAGET - BALME & MERCIER - ROLEX  
Gran Via, 1. Tel. 232 10 07.

28013 MADRID

**AUTHORS WANTED BY N.Y. PUBLISHER**

Leading subway book publisher seeks manuscripts of all types, fiction, non-fiction, poetry, juvenile, scholarly and religious works, etc. New authors welcomed. Send for free booklet H-3. Venture Press, 516 W. 54th St., New York, N.Y. 10019 U.S.A.

---

**Baccarat**

30 bis, Rue de Paradis  
75010 PARIS  
(thru the archway)  
Tel.: 47 70 64 30

When in Paris... visit our Museum and sales floor

Open Monday - Friday  
9 a.m. to 6 p.m.  
Saturday 10:15 a.m. - 2:5 p.m.  
Also in selected stores near your home.  
Brochures on request

# FAA May Investigate Delta Air Lines Following Series of Flight Mishaps

Los Angeles Times Service

**LOS ANGELES** — The Federal Aviation Administration is considering an investigation of the operations of Delta Air Lines following at least 10 mishaps involving the carrier in recent weeks, according to a source in the agency.

"These incidents were aberrations," said Jim Ewing, a Delta representative. "Each one of these damned things stands on its own book. They're not related."

"But we don't minimize these incidents," he added. "Everything is being looked at with a fine-tooth comb. When we get through, the action will be swift and decisive."

kilometers) off course in Canadian airspace when it narrowly missed a Continental Airlines Boeing 747, according to the Continental crew.

The Canadian Aviation Safety Board said that a few minutes after the close call with the Continental plane, the Delta L-1011 strayed into the path of a British Airways jet headed from London to Toronto.

# Demjanjuk's Defense Is in Disarray

By Glenn Frankel  
Washington Post Service

**JERUSALEM** — The legal defense of John Demjanjuk, the accused Nazi death camp executioner, has been thrown into disarray because of a dispute among himself, his family and his lawyers over who should represent him during the last half of his war crimes trial here.

After an emotionally strained three-hour hearing Wednesday morning, the presiding judge, Dov Levin, gave Mr. Demjanjuk until Monday to decide whether to dismiss Mark O'Connor, who has been his attorney for the past five years, and replace him with two attorneys who have been part of the defense team.

Mr. Demjanjuk then asked for a chance to consult with his son-in-law.

After a recess, he told the judge that the decision to dismiss Mr. O'Connor had been made for him by his family.

Mr. Demjanjuk would not answer directly when Judge Levin repeatedly pressed him to make his own decision and reminded him that no postponement would be allowed.

"I think the court is trying to frighten me," Mr. Demjanjuk finally said, before being cut off by Judge Levin, who said, "That's inaccurate, that's not our intention."

**Bridge the gap.**

Distance can separate you from the people you care about in the States. But it doesn't have to. Just pick up the phone. You'll find that AT&T makes it easy to feel close, even when you're far apart.

**AT&T**



OPINION

Israel: Amid All the Lament, A Country Not Doing Badly

By A.M. Rosenthal

JERUSALEM — By the end of the first day, a journalist again visiting Israel is convinced that things have become so complicated that he knows nothing anymore, and that there are no solutions to anything.

ON MY MIND

where people talk openly and freely, among themselves and to strangers. Political freedom may be gaining in the rest of the world but it has passed the Middle East by except for Israel.

The top leadership of the country is in a messy tangle. Foreign Minister Shimon Peres has gone over the head of Prime Minister Yitzhak Shamir with a plan for an international peace conference.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address.

and not doing all that badly, considering. Economically, it has beaten a 400 percent inflation that could have wrecked the nation; now inflation is about 15 percent.

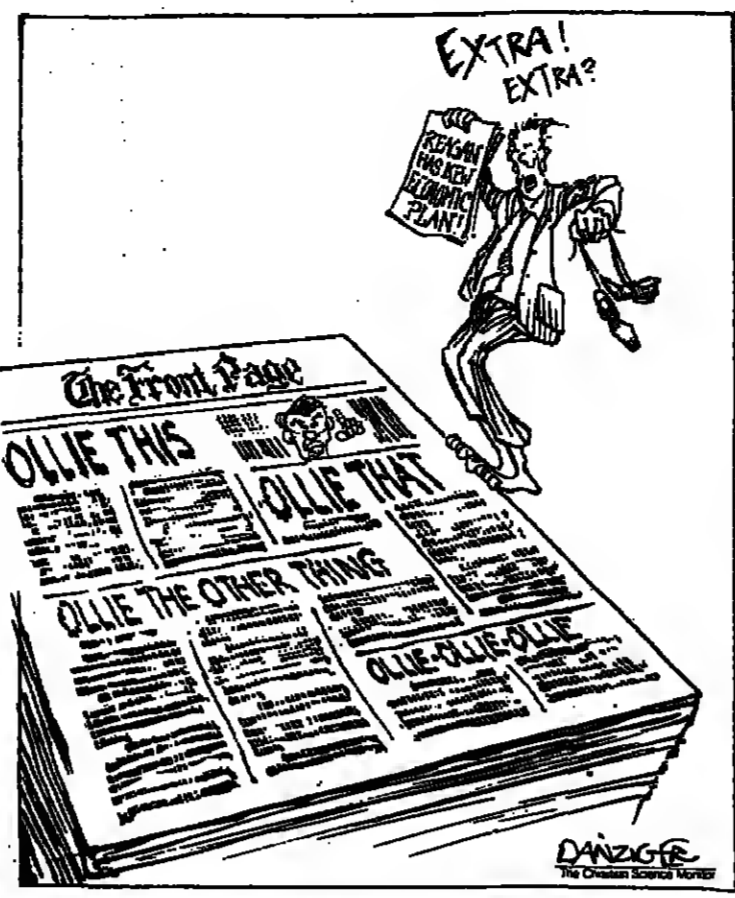
Mr. Peres's plan, which may bring down the government, is for an international conference that is supposed to get peace talks started among Israel, Jordan and the Palestinians.

Another: For a while it looked as if the religious zealots would legislate that no Jew was a Jew who did not match their own religious self-portrait.

The other night Zabin Mehta, born in Bombay, led the Jews of his beloved Israeli Philharmonic in a crystalline performance of the long Eighth Symphony of Bruckner, a German.

That is part of Israel, too. A country, an American said over coffee that Israelis seemed ruder than she had expected.

Sometimes, on a soft night by the sea in Tel Aviv or walking in the flowered hills of Jerusalem, Israel seems wonderfully lithe and young.



A Burial of British Socialism Is Again Premature

Regarding "A Turning Point in History: British Socialism's Demise" (June 18):

George F. Will has his London and we all duly tremble. His rhetoric and passionate radical conservatism fit what he perceives to be the popular mood here.

But let's look at the facts. Thirty-one percent of the votes, though not good, is not terminal either. Forty-two percent, though not bad, does not betoken an overwhelming victory by Margaret Thatcher presaging the death of socialism.

Mr. Thatcher did well because the opposition was split between Labor and the Alliance. Three million unemployed is no more a vote-winner for Labor than the many unemployed of the United States or West Germany are for the Democrats or the German Social Democrats.

What About the Right to Be an Old Lady?

By Louise Canby

SILVER SPRING, Maryland — I have a guilty secret: I keep wanting to be an Old Lady. At 87, I surely qualify, but in the great women of retirement where I live it is simply not allowed.

MEANWHILE  
be pursued, and even romance is not quite ruled out. Body as well as mind must be exercised, at pool or golf links, and I must never, ever get fat.

Their days were spent at home, sitting. Oh, how they sat. They sat upright in straight chairs, they overflew cushioned rockers. They sat to sew on buttons and to darn socks, on the back porch to shell peas, on the front porch to observe neighbors.

Mass sitting was achieved by the fortunate, on the verandas of summer resorts where the Rocking Chair Fleet, that redoubtable assembly of their contemporaries, gave welcome relief from the three-generational household that was their inevitable habitat.

And there's one of their children. A major-general in her own home found herself of a sudden — all love and consideration notwithstanding — with no more authority than a corporal.

LETTERS TO THE EDITOR

misfortunes: "That is what happens when you raise property taxes 62 percent to hire an army of homosexual-rights and race-relations bureaucrats."

A Reunited Germany

Regarding "Now Comes a German Swing to the East" (July 8):

As a simple West German citizen, I do not see Michel Jobert's problem. Would he not want to have a divided France reunited? Are these dreams so bad?

Bad Loans, Now Bad Losers

Regarding "Latin Debt: Let's Keep Muddling Through" (July 6):

What were David Rockefeller and his cronies thinking when they loaned all those billions to Latin American countries? Surely they knew in advance that their fat cat Latin American counterparts and the corrupt politicians would skin off the cream and leave just a little,

passed this test cum laude and became a benefactor to the home, but it could not have been easy. Oh, no. My private burrow in this warren is much better, my independence precious.

Then why this unfulfillment? Independence, did I say? Independent as a sheep! In my dogged pursuit of youthfulness I have embraced youth's weakness: I have yielded to peer pressure.

Of course, I will keep up the bit of volunteer work I still am good for, and read the oews. And it is possible that, in doing it, I shall still have one toe in the swim. All this is only what it truly pleases me to do. For is not "natural" the ultimate in modern slogans — the one that rules cereal ads and justifies the free rein given the whims of children?

The writer, who lives in a suburb of Washington, D.C., contributed this comment to The Washington Post.

introduced to person No. 3, then who is going to do the honors to bring persons No. 2 and No. 3 together? In other words, if person No. 2 is introduced to person No. 3, it can only be by person No. 1, who therefore must already know No. 3 or introduce himself/herself first.

This is an interesting feature of many test questions: Several answers are correct, but only the least imaginative correct answer is allowed. An infallible authority punishes the person taking the test for seeing more implications than the infallible authority did.

BOB FIEDLER, Ailschwil, Switzerland.

The Wheels of Ill Fortune

We are three American students who were touring Europe by bike. After only two days in France, the locks on our bikes were cut and all three bikes were stolen.

A Centennial Message from the International Herald Tribune



NOTES ON A CENTURY The Herald in the Late Forties: Lots More Color than Money

The author was a reporter and editor for the Herald from 1947 to 1950, when he joined the Chicago Tribune's Paris bureau. Eight years later, he became Time magazine's Riviera correspondent and in 1970 shifted to Time's Paris bureau.

By Paul Evan Ress  
So there I was, in the Paris of 1947, being paid \$26 a week for running copy in the shabbiest city room this side of Bridgeport and beginning to wonder if this was really how all those heroic foreign correspondents had started out.

The idea of being a foreign correspondent had stuck with me for a long time: I'd put it down as my ambition under my graduation photo in my high school yearbook back in 1939.

Here I took my stand. I flunked out. And then I caught the Queen Mary to France, walked into the Herald headquarters on the Rue de Berri and, just as I'd planned, was offered a job.



A Ress travel column from the late 1940s.

berlain and Tibor Mende was less than glamorous, and the pay was agonizingly low. No one could have lived on it. First to disappear was my \$700 army savings. Then I cashed in my \$160 return trip ticket on the Queen Mary. And then at almost the last minute, I graduated to nobler (and better paid) tasks, such as editing copy, writing travel stories and even reviewing drama from time to time.

One day in 1948, the paper's Palais de Justice stringer phoned Managing Editor Eric Hawkins. "Pierrot le Fou has just escaped from the police and is running around the roof of the law courts," he cried. "Get someone down here quick!" In those days, Pierrot le Fou, or Pete the Crazy, was at least Public Enemy No. 3 and was trying to go higher.

Unquestionably the most Frenchified of our American staffers, Bob Haney spoke absolutely accentless French. The only criticism I ever heard of it was that "it sounds like Academie Francaise French. It's too good." Bob himself maintained that he "spoke better, purer French in Ames, Iowa, than after I had been living in Paris for six months. My French was contaminated by the French."

A lover of the Midi and what he called the "pastel-filtered sunlight of Arles," Bob was one of the few staffers to own a car. It was a black Citroen "traction-avant." One day he received a disagreeable assignment. He was asked to write a story on the American cars displayed at the Paris Automobile Salon for the paper's advertising supplement on the event.

At the time, there were very, very few French cars in the streets of Paris, and virtually no American ones. So it came as something of a surprise when Haney wrote, in the last, almost unnoticed paragraph: "There are now so many American cars in the Place de la Concorde and around the Arch of Triumph that the names of Cadillac, La Salle and Chevrolet have passed into the French language."

COME BLACK JACK!

CASINO D'ENGHIEN, SO NEAR AND YOU'RE MILES AWAY.



BLACK JACK - BACCARA - BANQUE A TOUT VA - CHEMIN DE FER - CASINO D'ENGHIEN - TEL. 34.12.90.00 - 115 KM/S FROM PARIS BY TGV



SCIENCE

A Rocket to Strike Lightning

By John Noble Wilford

New York Times Service

CAPE CANAVERAL, Fla. — Like latter-day Ben Franklin sending aloft rockets instead of kites, a team of 30 scientists is preparing to take aim at thunderclouds this week to extract powerful bolts of electricity as part of a far-reaching study of the causes and effects of lightning.

The lightning research program, sponsored by the National Aeronautics and Space Administration, will be doing deliberately what launchers of an Atlas-Centaur rocket did inadvertently earlier this year. The scientists will be sending their rockets up to trigger lightning.

Instead of using a key on a kite string, in the Franklin manner, the scientists will be firing three-foot (one-meter) rockets, trailing a 2,100-foot wire, into the clouds. Each rocket, like a key or lightning rod, should attract the strong negative electric charge in the cloud and thus trigger a luminous, crackling surge of electricity down the wire to the ground — a lightning stroke.

An array of cameras, radio receivers and sensors will monitor the rocket-triggered lightning to give scientists what they hope will be a better understanding of the nature of lightning, how to protect against it and how to predict when and where it is most likely to strike.

Physicists who have made a career of studying lightning concede there is still much to learn. Lightning may well have sparked the chemical evolution of life on earth. It probably brought fire to early humans. It kills or injures many people each year and causes forest fires and other extensive property damage. Yet, for all the theories, the exact process of generating lightning remains a mystery.

Although NASA is immediately concerned with protecting its launching facilities here at the Kennedy Space Center and its space vehicles as they take off or land, the research is also expected to have applications in aviation, communications and power transmission lines as well as weather forecasting. Several universities, private industry and other government agencies are participating. French scientists are joining the effort.

This is the fifth summer of such research, and scientists had already learned enough to have prevented the Atlas-Centaur accident, according to space agency investigators. The accident investigation board concluded that Air Corps meteorologists misinterpreted the lightning hazard information available that day and NASA launching officials should have recognized the

threatening weather and halted the countdown. The unmanned rocket took off and triggered a lightning bolt, which scrambled the vehicle's electronics. The rocket and its communications satellite, a \$160 million package tumbling out of control, were destroyed on a command from the ground.

William Jafferis, the NASA supervisor of the research program, said: "We have a forecast problem. We need a better warning system that tells us lightning is close to us."

Some of the researchers will be monitoring electrical properties of the atmosphere on such days, but they will focus on conditions just before, during and after a rocket-triggered lightning stroke.

The launching pad for the small rockets presents a stark contrast to the huge shuttle towers eight miles to the south. It is a simple, unpretentious wooden platform standing a few feet from the aptly named Mosquito Lagoon. The control center is housed at the edge of a nearby piney woods, in a mustard-colored caboose discarded by the Chesapeake & Ohio Railroad.

Scientists go on "alert" for a test any afternoon when the electric potential in the atmosphere, as monitored by ground detectors, reaches a negative or positive charge of 1,000 volts per meter. A fair-weather electric field is usually no more than 200 volts.

The diesel generator outside the caboose is switched on. The storm could cause disturbances in power from commercial lines, and the scientists must have a steady current for their instruments. Rockets are installed in the metal cylinders on the platform ready to fire. "If natural lightning occurs in the vicinity, we stop," Mr. Jafferis said. "Can't trigger it if it's already occurred."

As soon as meters show a negative atmospheric charge of 3,000 to 4,000 volts, a "triggerable field," the 10-second countdown begins on the command of the French launching controller.

The firings are scheduled to continue through September. For the first time, some of the rockets will be launched from a raft in the lagoon to establish a data base for the probability of a lightning strike to objects on water.

More often than not the rocket creates a bolt of lightning. When the rocket enters the lower layers of a thundercloud, where the negative charge is concentrated, it draws a massive flow of electricity down the wire. The current is so strong it vaporizes the wire. The downward negative current connects with the

positive charge propagated from the ground, completing the circuit and creating the crackling flash of brilliant light known as a lightning bolt.

Several researchers will concentrate on analyzing the bolt itself. Sensors at the platform will monitor the strength and oscillations of the current in the lightning. A "streak camera" developed by scientists at the State University of New York at Albany will photograph the lightning at various stages to help determine the velocity, magnitude and structure of the visible channel of electricity.

Other instruments on the ground, an infrared spectrophotograph and ultraviolet and visible radiometers, will examine the dimensions and physical properties of the plasma, or electrical gas, in the luminous channel known as a lightning stroke. The experiment, directed by Charles Weidman of the University of Arizona, will investigate the temperature, electron density and cooling mechanism of the luminous channel.

An array of recording instruments will monitor the sounds of thunder in an effort to learn what causes the various claps and booms. "We're still at the stage of trying to understand the physical properties of lightning," said Philip Krider, a physicist at the University of Arizona who is participating in the research program. "Next we want to find out how lightning begins and forms."

Improvements in the ability to forecast lightning could depend on the results of experiments to determine electrical conditions in storm clouds prior to a lightning strike.

Dr. Krider's group, seeking to learn how clouds become electrified, has installed sensors in the ground to measure electric current flowing from the atmosphere to the ground under a thunderstorm. The measurements will be analyzed to see how strong the currents are, how they change with time, what happens to them when a rocket causes a lightning strike or when it does not. One aim is to learn how to interpret ground currents as indicators of lightning potential.

Several techniques are being tested to determine pre-lightning conditions in clouds. French scientists plan to continue research, begun last year, using a set of widely spaced radio receivers to detect static inside a cloud and, through a triangulation technique known as interferometry, locate its source. Further analysis could reveal the actual initiation process for lightning and

thus lead to an early-warning system for forecasters.

Scientists from NASA and the University of Florida will test a similar approach using antennas to measure the time of arrival of electromagnetic pulses. From these data they hope to determine the precise source of lightning activity. The knowledge could give forecasters a method for predicting lightning at least 20 minutes before the event.

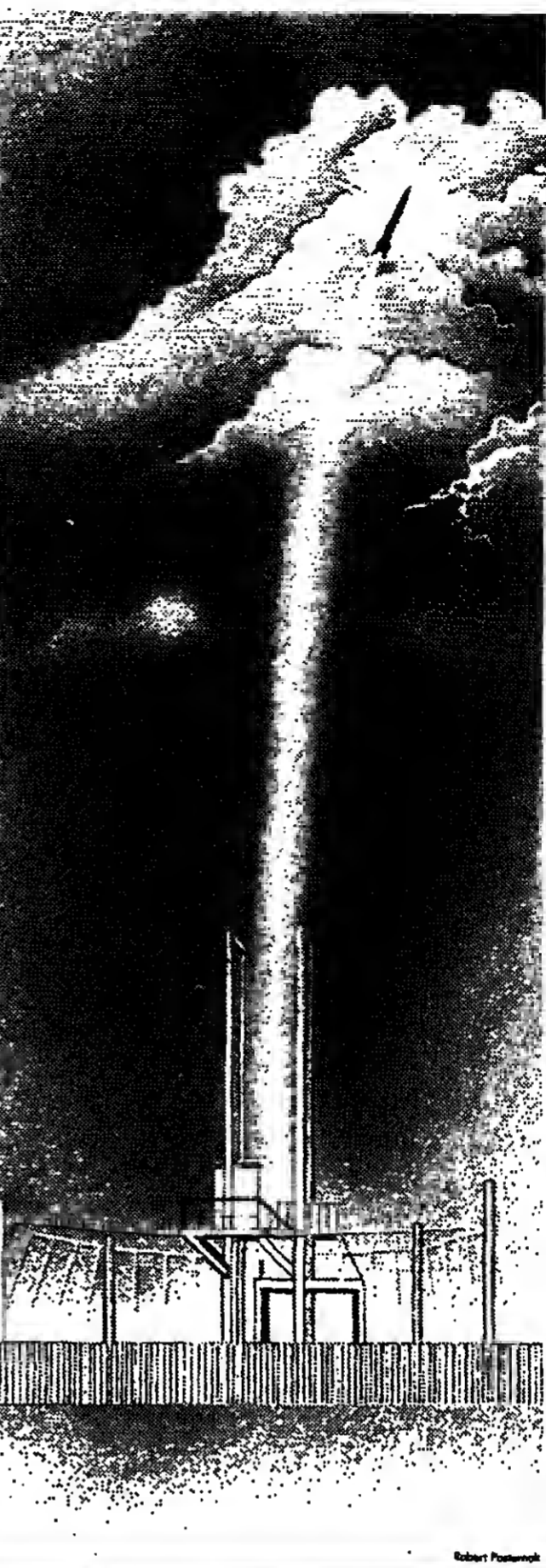
An additional objective of the program involves testing the latest devices to protect against the effects of lightning strokes. Each bolt triggered by a rocket, for example, will strike a wire cage at the launching pad. This is a mockup of the lightning protection systems that surround facilities at the space center, such as fuel tanks and electronics units. NASA researchers want to know how well the complex of grounding wires shields against a known surge of electricity.

A regular electric power line also runs through the area of the launching pad so that engineers for the Electric Power Research Institute can test the effectiveness of new protective devices and learn how to design others.

In similar tests in previous summers, lightning was also directed to strike both banded and overhead telephone lines and to strike the fuselage of an aircraft suspended at the launching pad. Last year scientists from Lawrence Livermore Laboratories used the rocket-induced lightning to verify the effectiveness of a "lightning proof" canister designed to contain the triggering devices for underground nuclear tests in Nevada. The tests confirmed that the canister was invulnerable to the effects of lightning either to set off a detonation accidentally or to disable the triggering system, the engineers reported.

The small rockets going up to create lightning might well be the only ones launched at the Kennedy Space Center this summer, because of the lightning that struck the Atlas-Centaur rocket shortly after liftoff March 26. The final report by the accident investigation board, which is expected this month, will establish stricter weather rules for launchings, some of which could depend on the results of this summer's research program.

Meanwhile, another Atlas-Centaur that was to have been launched this month, and is the only NASA mission planned for the rest of the year, has been grounded indefinitely, pending modification to afford greater protection against lightning.



IN BRIEF

Russians Selling Space Photographs

THE SOVIET Union is stepping up plans to market photographs taken from satellites in space that have better resolution than those offered commercially in the West, according to Western space experts and Soviet officials. The initiative comes amid moves by the U.S. government to restrict such civilian operations for fear that high-resolution space photographs will reveal military secrets.

A Russian trade organization called Soyuzkarta has already sold photographs taken by Soviet spacecraft, according to a recent article in Izvestia that quoted the Soviet Union's chief cartographer, V. Yashchenko. He said Syria had made one purchase and that Australia, Kuwait, Angola, North Korea, Vietnam and East Germany had expressed interest.

The Soviet space photographs have a resolution as high as six meters, meaning that at best they can reveal objects of a size measuring six-by-six meters (19.6 by 19.6 feet) on Earth. In contrast, a French civil satellite called SPOT has a resolution of about 10 meters, and the American satellite system Landsat has a resolution of 30 meters.

Saving Frescoes in Nefertari's Tomb

ONE OF the more spectacular tombs of ancient Egypt, the 3,200-year-old burial chamber of Nefertari, Ramses II's favorite wife, has undergone emergency repairs by an international team of scientists and art restorers. They applied several thousand strips of gauze and rice paper to hold together the flaking wall paintings until a comprehensive restoration is begun on this imperiled monument of the ancient pharaohs.

The wall paintings, the most spectacular feature of the tomb, portray Nefertari in vivid colors as a woman of great elegance adorned with elaborate jewelry and garments. But investigators found that about 20 percent of the murals have been lost to dampness and decay. The remaining murals suffered peeling paint and loose plaster. Paolo Mora, an Italian art conservator who directed repairs, said the treatments were reversible and would have no effect on later, more comprehensive work.

Sugar May Affect Immune Defenses

TOO MUCH sugar in the blood may depress a person's immune defenses by distorting the chemistry of antibodies, a Japanese scientist has concluded after a study that compared diabetics with other adults. It is often observed that diabetic patients are abnormally susceptible to infection, but the reasons for this condition are unknown. Recent studies have shown that sugar molecules tend to be incorporated abnormally into many proteins of diabetes, including the blood pigment hemoglobin.

Dr. Hideaki Kanetsugu of Tokai University School of Medicine wondered if this same abnormal glycosylation — incorporation of sugar — might be a factor in the depressed immunity of diabetics, particularly those whose blood sugar levels were not well-controlled. He tested this hypothesis by a study of 35 adult diabetics and 14 non-diabetics and found that antibodies, the immune defense proteins, were indeed "sugared," in diabetics. The evidence, reported in Diabetes, a journal of the American Diabetes Association, indicated that the abnormal sugaring of the antibodies did indeed compromise their function in defending against infection.

Full-Time Work and Motherhood

FIRST-BORN children whose mothers worked full time in the child's first year may be less responsive to their mothers than those whose mothers stayed at home, a study has found.

Forty-seven percent of first-born children of working mothers demonstrated unresponsive behavior toward them, the researchers said. Among first-born children of mothers who stayed at home, the figure was 25 percent. The study involved middle-class children, and those whose mothers worked were cared for at home by a non-relative, said Dr. Peter Barglow, an associate professor of psychiatry at the University of Chicago who was one of the authors. The study confirms previous findings among infants in poor families.

The study, whose results will be published next month in Child Development, was conducted by researchers at the University of Chicago and the University of Illinois at Chicago.

NYSE Most Actives table with columns for Vol., High, Low, Last, Chg. and symbols for various stocks like NYSEQ, AT&T, etc.

Market Sales table with columns for NYSE 3 AM, NYSE 3 PM, NYSE 4 PM, and NYSE 5 PM.

NYSE Index table with columns for Previous, High, Low, Close, and Today's P.M. for Composite, Industrials, Finance, and Total.

Wednesdays NYSE Closing logo with text 'Via The Associated Press'.

AMEX Diary table with columns for Class, Prev., and symbols for Advanced, Declined, Unchanged, Total Issues, and New Issues.

NASDAQ Index table with columns for Prev, Today, Week, and Year for Composite, Industrials, Finance, and Total Issues.

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg. and symbols for EAL, GCD, etc.

Dow Jones Bond Averages table with columns for Bond, Prev., Today, and symbols for Bonds, Utilities, and Industrials.

NYSE Diary table with columns for Class, Prev., and symbols for Advanced, Declined, Unchanged, Total Issues, and New Issues.

Odd-Lot Trading in N.Y. table with columns for Buy, Sales, and %'11 for various dates from July 14 to 15.

Dow Jones Averages table with columns for Open, High, Low, Last, and Close for Industrials, Finance, and Total.

Standard & Poor's Index table with columns for High, Low, Close, and Today's P.M. for Industrials, Finance, and Total.

Previous NASDAQ Diary table with columns for Class, Prev., and symbols for Advanced, Declined, Unchanged, Total Issues.

AMEX Stock Index table with columns for High, Previous, Close, and Today for various indices.

Large table titled 'Dow Up Slightly in Active Trade' showing stock prices for various companies like AAR, ADF, AIG, etc., with columns for High, Low, Last, and Change.

Advertisement for Gold Investment featuring the text 'Diversify into Gold and Minimize Your Risk. Now. Why? Because gold moves independently of paper investments...' and a 'GOLD' logo.

Wednesdays  
NYSE  
Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Industrial furnaces use less fuel with Ametek's electronic system that precisely controls fuel-air mix and usually pays for itself within four months.

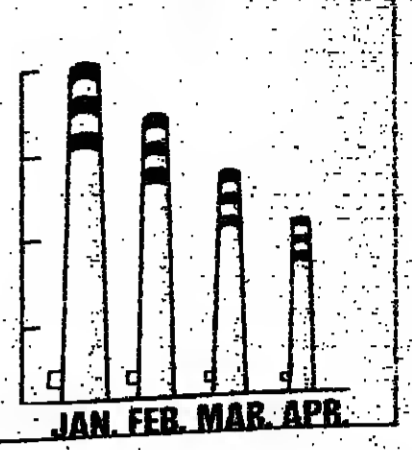


Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

Table with columns: 12 Month High Low Stock, Div. Yld. PE, Bid, Ask, High Low, Open, Close, Chg. Contains stock market data for various companies.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 15th July 1987

Large table listing various international funds with columns for fund name, asset value, and other financial metrics. Includes sub-sections for 'Other Funds' and 'Special Funds'.

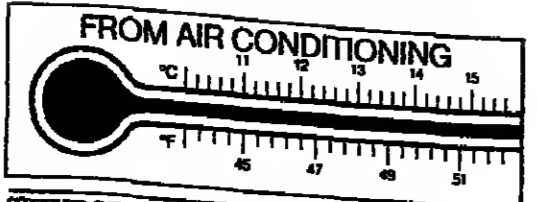
Be sure that your fund is listed in this space. Write Matthew GREENE at 61359F for further information.

Handwritten text at the bottom of the page.



July 16, 1987

TO AIR WAVES TOSHIBA



THURSDAY, JULY 16, 1987

INTERNATIONAL STOCK MARKETS Closing of Saudi Exchange Bodes Ill for Debt Reform

By STEPHEN JUKES

MANAMA, Bahrain — The closing last month of Saudi Arabia's first stock trading floor has dampened hopes for legal reforms aimed at speeding recovery of bad debts, bankers and lawyers say.

The concept of interest, viewed as usury under Islamic law, has never been recognized.

BANKERS SAID that attempts to recover loans through the courts have invariably been difficult. The concept of interest, viewed as usury under Islamic law, has never been recognized.

Oil Prices Rise on Gulf News

Jitters Trigger 18-Month High

Compiled by Our Staff From Dispatches

LONDON — Tensions in the Gulf pushed crude oil prices Wednesday to their highest levels in about 18 months in Europe and New York, with prices topping \$20 a barrel in London and \$22 in New York, traders reported.

The market is very strong," said Richard Redoglia, a futures broker at Merrill Lynch in New York. He cited a report that Iran was prepared to sink U.S. ships in the Gulf as the Reagan administration advances plans to fly American flags on Kuwait oil tankers.

In New York, prices also rose when the Iraqi government news agency said the country's warplanes bombed the Rosam oilfield just north of the strategic Strait of Hormuz in the Gulf early Wednesday.

U.S. Toasts Mexico's Humble Beer

Yuppies Adopt 'Macho' Corona And Sales Soar

By Andrea Adelson

LOS ANGELES — Mexico, dependent on oil for virtually all the hard currency needed to finance its \$103 billion debt, is suddenly tapping a new source of export earnings — in bottles, rather than barrels.

Almost overnight, a Mexican beer, Corona Extra, has become the second-best-selling imported brew in the United States. Beer experts, who say the import's taste is far from distinctive, are at a loss to explain what they call the "Corona phenomenon."

At home, Mexico's most popular brand is a workman's beer. But in the United States, its long-necked clear bottle with its distinctive painted labeling has become a status symbol among young drinkers.

Cheers — 10 Top Imported Beers

Table with 5 columns: Brand, Country of Origin, 1986 Sales, Percent Change From 1985. Lists top 10 imported beers like Heinekken, Corona Extra, Molson, etc.



Bar bottles from The New York Times

importers think it is here to stay. "There is a wide range of consumers out there, and that gives us the confidence the brand is in the mainstream," said Carlos E. Alvarez, president of the Gambartus Importing Co. of San Antonio, Texas, which has the im-

Dollar Tumbles As Trade Deficit Jolts Market

By Ferdinand Protzman

FRANKFURT — An unexpected strong rise in the U.S. trade deficit knocked the dollar down sharply against the Deutsche mark Wednesday in panicky trading, causing some experts to question whether the recent mild bullishness would give way to renewed downward pressure on the U.S. currency.

The dollar closed at 1.8285 Deutsche marks in London, down two pennings from 1.8489 DM Tuesday, and at 148.65 yen, down from 151.05. It also fell against the British pound, which closed at \$1.6320, against \$1.6105.

The announcement by the Commerce Department that the U.S. merchandise trade deficit for May was \$14.39 billion, up from \$13.32 billion in April, triggered the dollar's sudden decline. It also sent bond prices sharply lower in hectic New York trading.

Tuesday's close, and at 148.50 yen, down from 151.255. The price of gold jumped in London to close at \$453.20 an ounce, compared to a close Tuesday of \$447.45, with professional traders, commission houses and traditional customers all competing to buy the metal as the dollar fell.

"The mild gains we've seen recently are gone, at least for the time being," the dealer for the U.S. bank said of the dollar. "For the remainder of the week, the market will test the downside and I think we'll see the dollar below the technical support point of 1.8250 DM."

The disappointing U.S. trade figures hit especially hard in a market numbed by weeks of quiet. The dollar had been moving roughly within a small daily range, trading between 1.8250 DM and 1.8500 DM, dealers said.

"We haven't had action like this for a long time," one dealer said. "All the excitement of the sell-off was actually kind of exciting compared to what it has been like. Dealers like bigger moves. That's where we make our money."

U.S. Business Inventories Rise Sharply, Output Shows Gain

Compiled by Our Staff From Dispatches

WASHINGTON — In new evidence of sluggishness in the U.S. economy, business inventories climbed a sharp 0.7 percent in May, the largest increase in more than three years, the Commerce Department reported Wednesday. A rise in inventories indicates that sales are slowing.

forced to cut back on orders to work down inventory levels. The 0.7 percent increase in inventories was led by a 1.8 percent jump at the wholesale level. Inventories held by retailers rose 0.5 percent while inventories at the manufacturing level were up 0.2 percent.

The rise in inventories was accompanied by a weak 0.2 percent increase in business sales for May after a 0.02 percent fall in April. The combination of weak sales and rising inventories could spell trouble for the economy in the months ahead as businesses are

government said Tuesday that retail sales in June rebounded slightly, rising by 0.4 percent. The Federal Reserve said the June production report, the fifth in a row without a decline, followed a much larger 0.5 percent gain in May as U.S. industry continued to exhibit slow growth.

stands 3.6 percent above where it was a year ago. The strength last month came outside of manufacturing. Output in mining was up 0.7 percent with the gain led by increased production in coal and metals. Output at U.S. utilities rose 1.5 percent in June following an even stronger 1.9 percent jump in May. Total output of consumer goods showed a 0.1 percent drop in June, caused by a drop in production of autos, after a strong 0.6 percent increase in May.

Currency Rates

Table with columns for Currency, Rate, and other financial indicators. Includes rates for Amsterdam, Frankfurt, London, etc.

Interest Rates

Table with columns for Eurocurrency Deposits, Key Money Rates, and Asian Dollar Deposits. Lists various interest rates for different terms and currencies.

Boesky in Futures After SEC Accord

Compiled by Our Staff From Dispatches

WASHINGTON — Ivan F. Boesky, the speculator at the center of Wall Street's insider-trading scandal, traded futures contracts after reaching a settlement in his case, but before that settlement was announced.

Federal regulators acknowledged this fact Wednesday, but said that Mr. Boesky acted in a responsible manner. Positions held in stock-index futures by Mr. Boesky before his settlement were not out of the ordinary and did not exceed speculative limits, the Commodity Futures Trading Commission chairman, Susan Phillips, said.

ing agreement and Mrs. Phillips said Mr. Boesky probably made profits from his futures positions. The SEC enforcement chief, Gary Lynch, has said that Mr. Boesky's trading while in possession of confidential information about his own case does not constitute illegal insider trading. There is no law against insider trading in the futures markets.

Midland Rejects Morgan Bid for Greenwell Unit

London — Midland Bank said Wednesday it had rejected an unsolicited offer to buy its Greenwell Montagu share-dealing subsidiary.

A spokesman for the subsidiary, Greenwell Montagu Securities, said that the American investment bank Morgan Stanley had made the takeover offer.

Mr. Boesky not only avoided losses on those days by selling bundles of millions of dollars of stock before his case was announced, but also profited by cashing in some of his positions in financial futures contracts, sources said.

PARSUISSE

Advertisement for PARSUISSE, Fonds de placement en actions suisses. Includes contact information for Banque Paribas (Suisse) S.A. in Geneva.

Hutton MANAGED CURRENCIES PROGRAM. Performance result for beginning equity of \$20,000 on January 1st 1987.

Hutton advertisement with contact information for 43 Avenue Marceau, Paris, France. Includes phone numbers and website information.

HARRY WINSTON present their latest creations as well as a selection of their rarest stones. CARLTON INTER-CONTINENTAL Cannes. July 17 to July 19, 1987.

CORUM advertisement featuring a watch image and text: The Romulus. An exclusive creation of watchmaking art. In Paris. MORABITO. 1, place VENDÔME Tel. 42.60.30.76.

Gold advertisement with contact information for Merrill Lynch. Includes phone numbers and website information.



**BUSINESS ROUNDUP**

**BankAmerica Renews Japan Appeal**

**TOKYO**—BankAmerica Corp. has called a meeting here on Friday to solicit help from Japanese investors in its \$350 million plan to raise capital, financial sources said.

The BankAmerica vice chairman, Frank N. Newman, invited some 40 companies representing life insurance and other types of insurance in order to explain the \$100 million convertible preferred stock issue the company plans to use to boost its weakened equity base, the sources said.

Some major securities companies also were invited as prospective underwriters. BankAmerica reportedly held a similar meeting with Japanese banks last month.

A spokesman for BankAmerica declined comment but confirmed that Mr. Newman was in Tokyo.

The sources said Japanese insurance companies are generally re-

maining noncommittal until they learn the details.

Last month, Mr. Newman asked 23 Japanese commercial banks to buy \$350 million in securities, comprising \$250 million in subordinated capital notes and \$100 million of convertible preferred stock.

Banking sources said BankAmerica later expressed hope that Japanese banks would buy the subordinated notes and insurance companies the preferred stock.

Specific terms of the planned preferred stock issue are not known, but a document circulated to banks by Mr. Newman last month showed the convertible preferred stock would carry a dividend rate equivalent to three-month London interbank offered rate plus an undecided premium.

There will be no sinking fund for the preferred stock, which will have 10-year warrants attached to buy BankAmerica common stock, the document said.

It also said a fixed-rate alternative was possible on the planned stock issue and that BankAmerica was open to raising funds in yen, if that was desirable to the Japanese.

Most Japanese banks still remain noncommittal because participation could undermine efforts to boost primary capital, banking sources said.

Banks would be required to deduct the value of such subordinated notes from their primary capital under regulations proposed by U.S. and British authorities.

Many Japanese banks are sympathetic toward BankAmerica's financial plight, but they will remain reluctant to participate in the subordinated note issue unless the capital adequacy problem is settled, the banking sources said.

**Salomon Loses the 'Father' Of Mortgage Securities**

**Los Angeles Times Service**

**NEW YORK**—Lewis Ranieri, revered as the father of the mortgage securities market and regarded by many as heir apparent to the chairman of Salomon Bros., John H. Gutfreund, has resigned from the investment bank to "pursue private entrepreneurial interests."

His surprise resignation Tuesday was viewed as a setback for Salomon, whose dominance of that key segment of the securities business is already being attacked by competitors such as First Boston Corp.

Salomon's supremacy in mortgage-backed securities is expected to be further threatened by the loss of Mr. Ranieri.

"I about fell out of my chair when I heard the news," said Barry Friedberg, a Merrill Lynch vice president. "On Wall Street, he's a legendary figure."

Mr. Ranieri, a 40-year-old New York native, started with Salomon Bros. 19 years ago as a \$70-a-week mail clerk and worked his way up, becoming vice chairman last year.

In the interim, he took a nearly nonexistent business, the conversion of home mortgages to securities, and built it into a hugely profitable operation that transformed the mortgage-lending business. Today, every Wall Street investment house is in the mortgage-backed securities business.

Although Mr. Ranieri's departure coincides with reports of massive losses in bond trading for most Wall Street investment companies, including Salomon, analysts said that the timing was probably coincidence.

Many consider it more likely that Mr. Ranieri and Mr. Gutfreund parted ways over the company's direction. But that speculation was dismissed as "unfounded" by Salomon's managing director, Robert Salomon.

Mr. Ranieri was quoted by some of his Wall Street colleagues Tuesday as having remarked recently, "You can only get so rich."

"He is just tired of the race and wants to do other things," one Wall Street acquaintance said.

**Axel Springer Posts Record Profits for 1986**

**BERLIN**—Axel Springer Verlag AG, the West German newspaper and magazine group, posted a record profit by the parent company of 94.5 million Deutsche marks (\$51.4 million) in 1986 after reporting 61 million DM the year before, said Peter Tamm, the management board chairman.

He said the company would propose an unchanged 12 DM dividend. Revenue in 1986 rose by 185 million marks to 2.66 billion.

Revenue in the first half of 1987 was 4.5 percent above the same period last year.

Balance sheet profit stayed near 1986 levels, he added, giving no further details.

Responding to recent press reports, Mr. Tamm read a statement by the Munich-based firm distrib-

tor, Leo Kirch, that said Mr. Kirch had informed other major shareholders and the supervisory board that he wanted to raise his stake in the company from a current 10 percent of share capital.

**Standard Chartered Sells First Capital Stake**

**SINGAPORE**—The Singapore branch of Standard Chartered Bank PLC said Wednesday it had sold its 16.7 percent stake in a local investment firm, First Capital Corp. Ltd., for 62.7 million Singapore dollars (\$29.6 million).

It said its 27.28 million shares in First Capital were placed with two brokers, G. K. Goh Securities Pte. Ltd. and James Capel Far East Ltd., at 2.30 dollars a share.

Mr. Tamm denied West German media reports that Mr. Kirch already had 26.10 percent of the company.

The statement said Mr. Kirch was conferring with other large shareholders, the heirs of founder Axel Springer who hold 26.1 percent and Burda Verwaltungen KG with 24.9 percent, to cooperate on publishing and television within the Springer group.

The Springer heirs and the supervisory board member, Wilhelm Christians, who is also joint chief executive of Deutsche Bank AG, already had agreed to the suggestion, Mr. Kirch said.

The newspaper business accounted for 65.5 percent of the total 1986 revenue, a rise of 7.4 percent, and magazines accounted for 24.2 percent, up 2.4 percent.

**Foreign Banks Find Sweden Tough to Crack**

**STOCKHOLM**—Foreign banks leaped at the chance to open subsidiaries in Sweden when banking laws were eased last year, but many are already licking their wounds, with one withdrawal already announced.

Banque Paribas, one of five French banks to enter the Swedish market, said in May it was closing its subsidiary after posting a loss of 3 million Swedish kronor (about \$466,000) in 1986. But it will maintain a representative office.

Other international bankers say that a management shake-up is under way at Credit Lyonnais that could lead to its withdrawal.

But the deputy managing director, Benoît Nusbaumer, said, "There is absolutely no question of reducing our presence here."

"It is a difficult market and the picture is not that rosy, but we have good reasons to stay."

He declined to comment on any management changes.

However, one French banker, who declined to be named, said, "There will be other casualties. There are far too many French banks in the market."

The seven other banks that applied for licenses from the Swedish Treasury in January 1986 are Norwegian, Finnish and American. They also have

found it tough, although Norway's Den norske Creditbank and Christiania Bank did show modest profits at the end of 1986.

Den norske's managing director, Arne Silvdahl, said that his bank's pretax profit of 302 million kronor resulted partly from the bank's decision to concentrate resources on the domestic Swedish market, and make use of Sweden's booming capital markets to increase narrow profit margins.

"We are building up our loan portfolio," he said, "but it is a very tough, competitive area because profit margins are so small. You need to know what sectors to concentrate on."

The managing director of Citibank's operation, Bo Hammerich, agreed that the market was extremely tight. "This is a highly competitive, high-cost environment," he said, "but Citibank's commitment to Sweden is serious and long-term."

"It is extremely unusual for a bank to be profitable in its first year of operations," he added. "We view Sweden as a long-term investment."

The attraction of Sweden for foreign banks, apart from its cash-rich corporate sector, is a rapidly expanding credit market, foreign bankers say.

But they said that Japanese and British banks were unlikely to try to enter the market until Swedish banking laws are further relaxed.

**Grundig Has First Profit In 4 Years**

**FURTH, West Germany**—The electronics group Grundig AG said Wednesday it returned to profitability in the year ended March 31, posting a group net of 110 million Deutsche marks (\$59.7 million) after three years of losses.

Revenue rose 7 percent in the year ended in March, to 3.1 billion DM from 2.9 billion DM. Grundig's managing board chairman, Hermann Koning, said. He attributed the increase in part to the World Cup soccer matches last year, which raised television sales.

Another managing board member, Pieter de Jung, said that increased productivity and investment also contributed to Grundig's return to profitability.

Mr. Koning said that the company would have to persevere with efforts to automate and restructure its operations to keep up with fierce competition from the Far East.

Grundig has redesigned its videocassette recorder plant in Langwasser, West Germany, and has begun efforts to increase capacity at television plants in Langwasser and Vienna, Mr. de Jung said.

**TRANSPACIFIC FUND**  
société anonyme

14, rue Aldringen - Luxembourg  
Registered Office Section B N° 8576

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The Annual General Meeting of shareholders of TRANSPACIFIC FUND will be held at its registered office, 14, Rue Aldringen, Luxembourg, on Tuesday, July 28th, 1987 at 11.00 a.m. to discuss and vote upon the following agenda:

1. The report of the Board of Directors for the financial period ended 31st March 1987;
2. The report of the auditor;
3. The accounts for the financial period ended 31st March 1987;
4. The allocation of the net profits, and the determination of amount and date of payment of the dividend;
5. The names of the directors and the auditor for the financial period ended 31st March 1987;
6. Statutory nominations;
7. Renewal of the directors' mandates;
8. Other matters.

The resolutions on the agenda of the Annual General Shareholders Meeting do not require a specific quorum and will be adopted if approved by a majority of the shares present or represented.

To attend the Annual General Shareholders Meeting of July 28th, 1987 the names of owners of registered shares should be recorded in the company's register of stockholders five working days prior to the meeting and owners of bearer shares should deposit their shares at least five working days prior to the meeting with one of the following banks:


- Banque de Neufise, Schlimmerberg, Mallet
- 3, Avenue Hoche, Paris 8<sup>e</sup>
- Algemeene Bank Nederland N.V.
- 32, Vijzelstraat, Amsterdam
- Bank Moce & Hope N.V.
- 548, Herengracht, Amsterdam C
- Banque Générale du Luxembourg S.A.
- 14, Rue Aldringen, Luxembourg
- Société Bancaire Barclays (Suisse) S.A.
- 2, Boulevard du Théâtre, Genève.

THE BOARD OF DIRECTORS

**LLOYDS EUROFINANCE N.V.**  
Copies of the audited accounts of Lloyds Eurofinance N.V. for the year ended 31st December, 1986, are now available from:—

THE SECRETARY, LLOYDS BANK PLC.  
71 LOMBARD STREET, LONDON EC3P 3BS

**Who's importing what in the U.S.A. today?**



You don't have to guess anymore. PIERS (Port Import/Export Reporting Service) can supply you with the facts rapidly and accurately. Far better than if you were in the U.S.A. calling an importers yourself.

You see, ship manifests in America are public records. So The Journal of Commerce (New York) stations 150 reporters in 52 ports coast to coast who transcribe the details of every individual shipment entering or leaving the country. They include the identities of shippers and consignees, commodity descriptions and other information.

All the data is stored on-line at our computer center. Our London office can supply you with instant printouts—or you can logon directly. In minutes, our PIERS system can show you every import of benzyl alcohol, for instance, including its importer and the shipper who exported it.

Whether you're an exporter, bank, insurance company, or are involved with any aspect of transportation to or from the U.S. market, you will find our PIERS information of tremendous value.

For information or free sample printouts, contact Simon Wood, The Journal of Commerce (New York), Bailey House, Old Seacoal Lane, London EC-4M-7LR, England. Telephone 01-489-1935.

The Journal of Commerce (New York)

**PIERS**  
A Knight-Ridder Business Information Service

**EUROBONDS**  
BY CARL GEWIRTZ, IN THE IHT EVERY MONDAY, PLUS AN EXCLUSIVE LISTING OF 2000 EUROBOND PRICES

**IMI**

**CORPORATE FINANCE  
ASSET MANAGEMENT  
AND INVESTMENT BANKING**

IMI is the leader in Italian corporate finance, specializing in medium and long-term credit. The IMI Group is also a leader in merchant banking, personal financial services and asset management. Because of this, our clients can take advantage of a unique combination of corporate financial services of the highest quality (including commercial banking, security and equity investment and capital market

**Consolidated Highlights at March 31, 1987**  
(Dollars in millions)

Outstanding loans	21,959
Assets under management	18,538
Shareholders' equity	2,940
Allowances for losses	562
Net income	465

(1 U.S. \$ = 1,286.9 lire)

services). In establishing its presence in the international markets the IMI Group has formed merchant banking subsidiaries in the United Kingdom - IMI Capital Markets (UK) Ltd. - and in the United States - IMI Capital Markets USA Corp. These subsidiaries, as well as a range of other subsidiaries, are controlled by IMI International S.A., Luxembourg (whose capital amounts to \$ 250 million).

**ISTITUTO MOBILIARE ITALIANO**  
Head Office in Rome, Viale dell'Arte, 25

**Repap Enterprises Corporation Inc.**

**Cdn. \$79,062,500**

5,500,000 Subordinate Voting Shares

Price: Cdn. \$14.375 per share

2,000,000 Shares Offered Internationally by:

Credit Lyonnais	Burns Fry Limited	Enskilda Securities
Swiss Bank Corporation International Limited	Deutsche Bank Capital Markets Limited	Skandinaviska Enskilda Limited
Geoffrion, Leclerc Inc.	Lévesque, Beaubien Inc.	Wood Gundy Inc.

Richardson Greenshields of Canada (U.K.) Limited

3,500,000 Shares Offered in Canada by:

Burns Fry Limited	Richardson Greenshields of Canada Limited
Lévesque, Beaubien Inc.	Geoffrion, Leclerc Inc.
Pemberton Houston Willoughby Bell Gouinlock Inc.	Wood Gundy Inc.

These securities having been sold, this announcement appears as a matter of record only.

New Issue June 1987

Wednesdays AMEX 3pm. Via The Associated Press

Financial market data including AMEX, Dow Jones, and various international stock and bond indices. Columns include 12 Month High/Low, 24 Month High/Low, and 52 Week High/Low.

# Save 40%

or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

Country/Currency	12 months (+2 months FREE)	6 months (+1 month FREE)	3 months (+2 weeks FREE)	You save per copy** per year	
Austria A.Sch.	4,500	2,600	1,450	A.Sch. 8.21	A.Sch. 3,207
Belgium B.Fr.	11,000	6,000	3,200	B.Fr. 19.78	B.Fr. 7,200
Denmark D.Kr.	2,500	1,400	770	D.Kr. 3.13	D.Kr. 1,139
Finland F.M.	1,730	950	520	F.M. 3.25	F.M. 1,183
France F.F.	1,500	820	450	F.F. 2.88	F.F. 1,048
Germany* D.M.	580	320	175	D.M. 1.11	D.M. 404
Gr. Britain £	130	72	40	£ 0.19	£ 69
Greece Dr.	23,000	12,000	6,000	Dr. 49.56	Dr. 18,640
Ireland £Ir.	130	87	45	£Ir. 0.29	£Ir. 106
Italy L.Ir.	380,000	210,000	115,000	L.Ir. 756	L.Ir. 275,200
Luxembourg L.Fr.	11,500	6,500	3,400	L.Fr. 18.41	L.Fr. 6,700
Netherlands Fl.	650	360	198	Fl. 1.21	Fl. 440
Norway* N.Kr.	1,800	990	500	N.Kr. 3.05	N.Kr. 1,110
Portugal Esc.	22,000	12,000	6,000	Esc. 64.56	Esc. 23,500
Spain* S.Kr.	29,000	16,000	8,000	S.Kr. 58.33	S.Kr. 20,140
Sweden* S.Kr.	1,800	990	500	S.Kr. 3.05	S.Kr. 1,110
Switzerland S.Fr.	510	280	150	S.Fr. 1.10	S.Fr. 400
Rest of Europe, North Africa, former French Africa, Middle East \$	430	230	125	S.Fr. 1.10	S.Fr. 400
Rest of Africa, Gulf States, Asia \$	580	320	175	Varies by country	

\*In these countries, hand delivery is available in major cities on publication date. For details and rates, please check here and fill in your address below. Offer valid through December 31, 1987 for new subscribers only.

## Herald Tribune

Now morning delivery for most readers!

To: Subscription Manager, International Herald Tribune, 181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel: (1) 46 37 93 61. Tlx: 612832

Please enter my subscription for: 12 months (-2 months free) 6 months (-1 month free) 3 months (-2 weeks free). My check is enclosed. Please charge my credit card account.

Card account number, Card expiry date, Name, Address, City/Country, Tel/Telx.

### Floating-Rate Notes

Table of Floating-Rate Notes with columns for Dollars, Pounds Sterling, and Deutsche Marks. Includes sub-sections for Weekly net asset value and Tokyo Pacific Holdings N.V.

### African Nations Expected \$200 Million Debt Forgiveness

ADDIS ABABA, Ethiopia — Fifty countries at a meeting of their foreign ministers next week will probably ask their governments to forgive the region's total debt, estimated at \$200 billion, an Organization of Unity official said Wednesday. Although countries in the region have usually asked their creditors for additional or repayment delays, this would be the first time they would be requesting to be freed from their debts, said the official, who declined to be named. He said there was a growing concern among African countries that the cost could no longer honor its debt obligations.



CURRENCY MARKETS

DOLLAR: Wider Trade Deficit Knocks Down Currency

(Continued from first finance page)
cit had "turned the corner" and was beginning to shrink.
The Reagan administration sought to maintain that stance Wednesday, Commerce Secretary Malcolm Baldrige asserted that the trade deficit was improving despite "occasional monthly setbacks."

London Dollar Rates
Dollars per pound
Dollars per franc
Dollars per mark
Dollars per yen

But that did little to boost the dollar or ease the market's disappointment. A flurry of rumors Tuesday in New York had further raised expectations of improvement in the trade deficit as well as hopes that the dollar would push up to 1.87 DM.

EC Suggests Plan To Narrow Rates Of Excise, VAT

BRUSSELS — The European Community Commission proposed on Wednesday a sweeping and controversial revision of tax rates that EC consumers pay on a broad array of goods, ranging from cars to cigars to cigarettes.
The Commission's proposal would narrow the varied rates in the 12-member community on excise taxes, which are applied to alcohol, cigarettes and gas, and the value-added taxes applied to most other goods and services.

Amid Push for Trade, Soviet Debates Convertibility for Ruble

MOSCOW — The Soviet Union is debating whether to allow the ruble to be converted into foreign currencies on a limited basis as part of its drive for a wider role in world markets, Western economists say.
The ruble is not traded on world markets and cannot legally be changed into other currencies outside the state system. Complicated procedures must be followed to take just one ruble (worth about \$1.56 at official rates) out of the Soviet Union.

CORONA: U.S. Yuppies Adopt Mexican Beer, Now No. 2 Imported Brew

(Continued from first finance page)
in southern Florida, Boston and Atlanta, Mr. Alvarez said. "Our plans were more ambitious, but they have been affected by the continued growth of Corona in established markets."



Mexico's Corona Extra, the second-best-selling imported beer in the United States, served with a wedge of lime at the Marix Tex Mex Playa restaurant in Santa Monica, California.

In the 31 states where Corona is available, supplies are being rationed to some distributors, said Michael J. Mazzoni, executive vice president of Barton Brands Ltd., a Chicago-based company that has the rights to import Corona in 25 Western states.
Exports began in earnest six years ago, and Corona now commands 11 percent of the U.S. imported-beer market, according to a New York bulletin for the beverage industry. Corona alone accounted for two-thirds of the growth in national sales of foreign beers last year, surpassing Molson from Canada and Beck's from West Germany, said Jerry Steinman, publisher of Beer Market's Insights, a newsletter published in West Nyack, New York.

As such as Budweiser, the best-selling domestically produced beer made by Anheuser-Busch Co., which also makes Michelob. And it costs a few cents more than the popular brew from Heineken NV of the Netherlands. But the Mexican import has displaced Heineken as the No. 1 imported beer in California, Texas and Colorado.
In fact, Corona's popularity is whetting appetites for Mexican beers that have been readily available for 20 years, said Fred Lampe, president of Motezuma Imports Inc. of Irvine, California.

There have been many trendy beers, but nothing to equal this, said Gary Ayers of the Southern Beverage Co. in Fullerton, California. Corona "is still gaining ground," he added. "It's got to stop. Right now, it's putting a dent in premium beers like Michelob, Budweiser and Coors."

Mexican peasant beer," explained Michael Jackson, the London-based author of "The World Guide to Beer," a study of international brewers. "Now logically, if they want to drink a working-class beer, they'd drink Pilsner," another American brand.
He said Corona had a "low specification," ranking Mr. Jackson has devised to evaluate beer. In the case of Corona, that means its ingredients include corn syrup instead of 100 percent malted barley, and an aging time of less than three weeks.
"I'm not saying Corona is a worse beer than a lot of cheap American beers," Mr. Jackson said. "I just mark the yuppies for drinking it. They buy a bad beer for a lot of money."

Amid Push for Trade, Soviet Debates Convertibility for Ruble

Some Soviet strategists hope initially to make the ruble convertible into the currencies of the nation's East European allies, the economists said, with convertibility into the dollar and other Western currencies a long-term prospect.
East-European countries are skeptical about the proposal, the Western economists added.
Those countries fear that convertibility would result in a devaluation of the Soviet currency that would leave them with billions of useless rubles, limiting their ability to earn Western currency for buying advanced goods.

is strong enough to avoid a sharp devaluation. He said that convertibility might be allowed in about 15 years.
But Western economists said that the Soviet Union was considering the move because it would make it easier to trade with the West and would boost the international credibility of its economy.
The Western economists anticipate major problems in implementing the change, however.

or one-sixth to one-seventh of its official price of \$1.56.
Currency rates within Comecon, the Communist trade bloc, are complex. The ruble's official rate against the Hungarian forint and the Polish zloty, for example, does not always relate to the forint's rate against the zloty.
A decision to make the ruble fully convertible into Western currencies also implies a degree of openness to foreign competition that overpowered Soviet industry could not withstand, the Western economists said.

Some Soviet strategists hope initially to make the ruble convertible into the currencies of the nation's East European allies, the economists said, with convertibility into the dollar and other Western currencies a long-term prospect.
East-European countries are skeptical about the proposal, the Western economists added.
Those countries fear that convertibility would result in a devaluation of the Soviet currency that would leave them with billions of useless rubles, limiting their ability to earn Western currency for buying advanced goods.

Wednesday's OTC NASDAQ prices as of 2 P.M. New York time. Via The Associated Press.

Table of OTC NASDAQ prices for various stocks, including ABC, AIG, AIZ, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

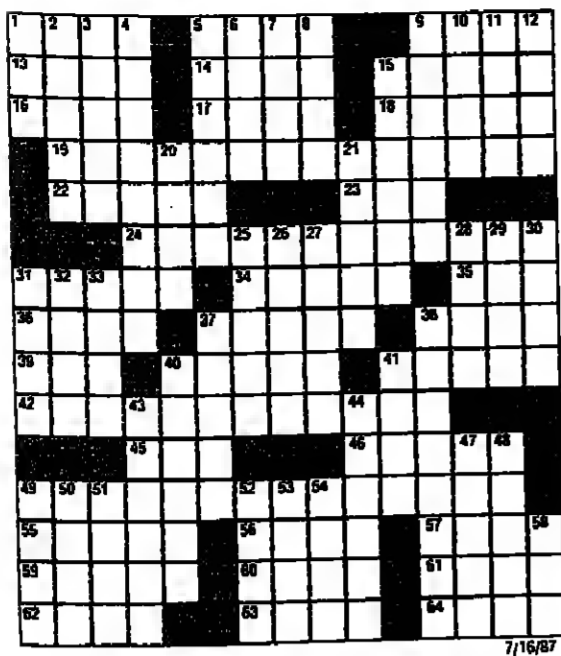
Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Table of stock prices for various companies, including AIG, AIZ, ALC, etc.

Notes: Figures are unofficial. Yearly high and low reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been issued, the year's high, low and closing prices are shown for the new stock only. Unless otherwise noted, prices of dividends are annual distributions based on the latest declaration.
a - dividend declared or paid in preceding 12 months.
b - dividend declared or paid in preceding 12 months, plus stock dividend.
c - dividend declared or paid in preceding 12 months, plus stock dividend.
d - dividend declared or paid in preceding 12 months, plus stock dividend.
e - dividend declared or paid in preceding 12 months, plus stock dividend.
f - dividend declared or paid in preceding 12 months, plus stock dividend.
g - dividend declared or paid in preceding 12 months, plus stock dividend.
h - dividend declared or paid in preceding 12 months, plus stock dividend.
i - dividend declared or paid in preceding 12 months, plus stock dividend.
j - dividend declared or paid in preceding 12 months, plus stock dividend.
k - dividend declared or paid in preceding 12 months, plus stock dividend.
l - dividend declared or paid in preceding 12 months, plus stock dividend.
m - dividend declared or paid in preceding 12 months, plus stock dividend.
n - dividend declared or paid in preceding 12 months, plus stock dividend.
o - dividend declared or paid in preceding 12 months, plus stock dividend.
p - dividend declared or paid in preceding 12 months, plus stock dividend.
q - dividend declared or paid in preceding 12 months, plus stock dividend.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - dividend declared or paid in preceding 12 months, plus stock dividend.
t - dividend declared or paid in preceding 12 months, plus stock dividend.
u - dividend declared or paid in preceding 12 months, plus stock dividend.
v - dividend declared or paid in preceding 12 months, plus stock dividend.
w - dividend declared or paid in preceding 12 months, plus stock dividend.
x - dividend declared or paid in preceding 12 months, plus stock dividend.
y - dividend declared or paid in preceding 12 months, plus stock dividend.
z - dividend declared or paid in preceding 12 months, plus stock dividend.



- ACROSS**
- 1 Radar sight
  - 2 Duchess of Goya's friend
  - 3 Lopez theme song
  - 4 Wee-hour sound from the alley
  - 5 Secure a ship
  - 6 Greek dialect
  - 7 Met highlight
  - 8 Barret or Jaffe
  - 9 "For" — is the kingdom...
  - 10 First line of a rhyme
  - 11 Lobster trick, e.g.
  - 12 Half of MIV
  - 13 Second line of rhyme
  - 14 Punctures for practice
  - 15 Extraordinary fellows
  - 16 Like some petticoats
  - 17 Scholars' drink
  - 18 River in NW Spain
  - 19 Benchley's "Of Things"
  - 20 Robe for Agrippina
  - 21 Grand one's teeth
  - 22 Top pitchers rhyme
  - 23 Moral principles
  - 24 Switch
  - 25 Common scents
  - 26 From head
  - 27 Gay, famous plane
  - 28 U.S.C. rival
  - 29 Fish dish
  - 30 Wife of Jacob
  - 31 Do in
  - 32 Alto, Calif.
  - 33 Civil-rights org.
  - 34 Memorable Merman
  - 35 Ignorant
  - 36 Vendor
  - 37 Big gap
  - 38 Articulates
  - 39 Trade
  - 40 Fiddler and pianist
  - 41 Cog (err)
  - 42 Pet in "Peter Pan"
  - 43 King of Norway
  - 44 Wait patiently
  - 45 Arias
  - 46 Motorist's "downer"
  - 47 Seep
  - 48 Capita
- DOWN**
- 1 "Not" — long shot
  - 2 Clown-faced sloth
  - 3 "Love" — Humperdink hit
  - 4 Literary theft
  - 5 Ambrosial drink
  - 6 "Crazy" bird
  - 7 Sound from Norway
  - 8 "I smell"
  - 9 "Fuzzy-wuzzy" had
  - 10 Feted
  - 11 Queue

New York Times, edited by Eugene Malachuk

PEANUTS



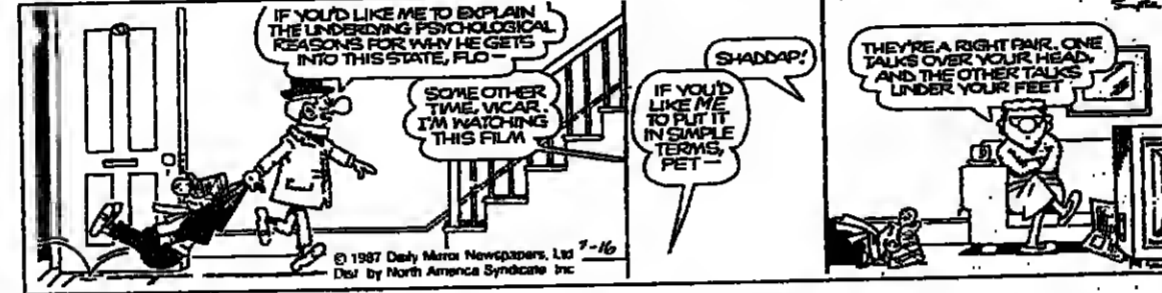
BLONDIE



BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. GINNY, VORAB, TUFAR, WERDOP.

WEATHER

Table with weather forecasts for various regions including Europe, Asia, Latin America, North America, Middle East, and Oceania.

World Stock Markets

Table of stock market closing prices in local currencies for various countries including Amsterdam, London, Hong Kong, Frankfurt, Zurich, Paris, Sao Paulo, Madrid, Milan, Tokyo, and Sydney.

BOOKS

LEV & SONJA: The Story of the Tolstoy Marriage. By Louise Smolouchowski. 288 pages. \$19.95. The Putnam Publishing Group Inc., 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Michiko Kakutani. In "Parallel Lives" (1983), her eloquent and studious study of the Victorian couple, the scholar and critic Phyllis Rose defined marriage as a kind of "subjectivist fiction" with two points of view, often deeply in conflict, sometimes fortuitously congruent... a contract entered into "because of its narrative appeal, the clear-cut beginnings and endings it offers, the richly complicated middle." As she saw it, happy marriages are those in which both parties "agree on the scenario they are enacting," while unhappy marriages are those in which "two versions of reality" struggle to co-exist.

Sonya tends to feel a sense of familiarity in finishing the book. Again, we are told how Lev's policy of complete disclosure led him to show his fiancée early diaries documenting her pregnancy, and how the shock she registered... "Again, we are told about the Tolstoy-Karenina split in Lev's personality... his aristocratic roots and his sympathy for the peasant, his social ambitions and his moody withdrawal, his lofty humanitarianism and his own inability to sustain love. And again, we are told about his efforts to give his money away (in accordance with his religious ideals) while his wife struggled to balance the budget at home. Looked at in retrospect, many of her marital difficulties must have seemed to Sonya like a fulfillment of her worst fears. Though her courtship had the comic charm of a Chekhov story — including a misunderstanding as to the identity of the Bers sisters, Sonya or Tanya, the early months of marriage were overshadowed by her fear that Lev no longer loved her, or loved her not enough. She worried that he was still drawn to Altkinya, a peasant woman with whom he had had a child; and she worried that he was drawn to her younger sister Tanya. Worse, she worried about her dependence. "The truth is," she wrote, "I am not able to find something to do. He is happy because he is clever and talented, but I — neither the one nor the other. I cannot spend my life on love alone but I am so limited that for the time being I think only of him." In the ensuing years, of course, Sonya would find a way of transmitting that love into something useful. She would become her husband's muse and nursemaid; she would serve as a model for Kitty in "Anna Karenina" and Naumov in "War and Peace"; and she would also take a practical diary-keeping and editing their manuscripts (and their endless revisions) by hand, with a protective environment in which to work, and she would see him through his long periods of depression. By the early 1880s that depression had given way to a full-blown religious crisis, and Lev began telling himself that he could not live in "true Christian humility and poverty" without leaving his wife and family. He blamed Sonya for his inability to write and his ideal of perfect chastity. "I am not in possession of myself," he wrote, "I look for the reasons Tobacco, lack of clarity. On cause alone — lack of a beloved and loving wife." Another entry read, "Until I die she will remain a millstone around my neck and the children's."

Such comments were most likely read by Sonya — in the interests of honesty, the couple regularly read one another's journals and letters — and in her own diary she retaliated by accusing him of egotism, vanity, selfishness and self-absorption. In the end, the self-dramatizing quality of the diaries triumphed over the Tolstoy's. Sonya, who had repeatedly threatened to commit suicide, was repeatedly threatened to leave. He finally did in October of 1910, and died a week later in the stationmaster's house at a chilly railway station.

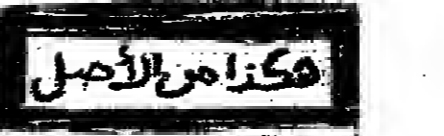
Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott. SEPT. 15 will be a notable date on the bridge calendar for three reasons, all connected with the American Contract Bridge League. The organization will celebrate the 50th anniversary of its birth. It will do so by staging, for the first time, a simultaneous pairs event with predetermined match scores. And for the first time in the league's history it will have a sponsor. The 1937 merger was the result of Ely Culbertson's decision to abandon the game that he had dominated for the previous eight years. His last major effort in the game had come three months earlier, when his team compet-

Table with bridge scores and results for various tournaments and events.

Table of stock market closing prices in local currencies for various countries including Amsterdam, London, Hong Kong, Frankfurt, Zurich, Paris, Sao Paulo, Madrid, Milan, Tokyo, and Sydney.



SPORTS

Raines's Triple Wins All-Star Game in 13th

By Richard Justice

OAKLAND, California — They played through the heat of Tuesday's late afternoon and the vicious shadows of twilight and, finally, the cool of an East Bay evening. What had been the longest scoreless game in All-Star history finally ended three hours and 39 minutes after it began with Tim Lincecum's triple scoring two runs in the top of the 13th inning to give the National League a 2-0 victory before 49,671 at the Oakland Coliseum.

Howell had fallen behind Raines 2-0. "I was looking for a fastball," Raines said, "and he got one over the middle of the plate. In that situation, I'm just trying to make contact. It felt great. When I made third, I started jumping up and down on the bag." Raines had gone 0-for-7 in his six previous All-Star appearances. Several players had said infielders and hitters might have trouble once shadows began creeping across the infield, but even before the shadows, pitchers controlled the game.

Rick Sutcliffe of the Chicago Cubs and Jack Morris of the Detroit Tigers followed the starters, with the shadows spreading across the infield, each threw two shutout innings. Morris allowed a runner in each of his, but both came with two outs. He also was helped when second base umpire Vic Wertz blew a call on an attempted steal base by Mike Schmidt in the fourth; television replays clearly showed Schmidt was safe. Sutcliffe allowed one baserunner, Ripken, who singled with two outs in the fourth. Terry Kennedy's grounder forced him at second.

The twilight didn't appear to become a major factor until the fifth, when Rickey Henderson's bouncer confused second baseman Juan Samuel (the ball deflected off his glove, and Henderson was given a single). Orel Hershiser walked Don Mattingly but got Wade Boggs on a grounder to end the inning. "It wasn't the sun that was a problem for me," said second baseman Ryne Sandberg of the Chicago Cubs. "It was the pitching. The pitchers have a great advantage in an All-Star Game — you only see them once a year, and they come in and throw hard for a couple of innings. It's really a pitcher's game most of the time."



Dave Winfield came in hard — high and low — but catcher Ozzie Virgil managed to hold onto ball and complete a double play that sent Tuesday's All-Star Game into extra innings.

Recharged Norman Set for British Open

MUIRFIELD, Scotland — Greg Norman took a tip from Tom Watson and turned back his calendar, before beginning the defense of his British Open Golf Championship. "I think I've been trying too hard," said Norman before Thursday's first round of the 116th edition of the world's most ancient golf tournament. "I've been trying to make 1987 a better year than '86. And I was trying too hard, trying to make things happen instead of letting them happen. I've put that behind me. I'm ready to start my '87 season in the British Open, start fresh this week and forget what's happened earlier."

"If not this year, then maybe next," Lyle's most important recent triumph came in the Tournament Players Championship in the United States earlier this year. Woosnam won last week's Scottish Open and is the leading European money-winner. His U.S. counterpart is Paul Azinger, who is playing in his first British Open. The American contingent also includes Mike Weir, U.S. Open champion Scott Simpson and a couple of 47-year-olds who hold fond memories of the Muirfield links, Jack Nicklaus and Lee Trevino.



Greg Norman, en route to victory in 1986 at Turnberry, Scotland.

Norman acknowledged that he had been "the most difficult defeat I've ever had" and that he went into a mild decline. At the U.S. Open in San Francisco last month, he wasn't a factor. It was the first time since April of 1986 that he had not been in the title hunt in one of golf's major championships. "He was tired, tense, snappish," said Watson, once golf's greatest player and a man who well knows the pressures attached to that position. "I told him he had to get away from it, take some time for himself, go scuba diving, just get away. Watson said, 'You can't play every week and expect to play well. You have to get away sometimes.'"

Manager Says Loss 'Shattered' Hagler Hanover, Massachusetts, with Hagler abiding by a court order barring him from living there. The order is in effect until Sept. 30. In addition to appearing at the hearing, Hagler gave an interview to a Boston television station after it reported that friends and relatives of Hagler were concerned about him. "I want to reassure the public I have no problem with drugs or alcohol," Hagler said. Hagler admitted, however, "I'm probably drinking a bit because of my marriage problems, but not to the extent I'm overdoing it." He said that the loss to Leonard still bothered him, but that he was "trying to keep from getting down."

IOC, Making Final Proposal, Would Widen N. Korean Role LAUSANNE, Switzerland — The International Olympic Committee on Wednesday offered North Korea five sports in what it said is its last proposal in trying to solve the problem of the North's demand to co-host the 1988 Summer Games. IOC President Juan Antonio Samaranch said the package contains women's volleyball, the entire men's 100-kilometer cycling road race and all or parts of three sports included in an earlier plan — archery, table tennis, and a quarter of the preliminary soccer matches. Samaranch said the IOC proposal would be sent to Seoul and Pyongyang for formal review and asked both sides to respond as quickly as possible. Samaranch said time is running out to reach agreement. "We are not thinking of a deadline," he said, but noted that Sept. 17 will mark the beginning of the final year before the opening of the Games in Seoul.

SCOREBOARD

Table with columns for Golf (British Open), Baseball (All-Star Game Summary), and Cycling (Tour de France). Includes scores and player names.

PGA Leaders

Table listing PGA Leaders with columns for Name, Trn, Money, and other statistics.

Transition

Transition text discussing various sports events and league changes, including mentions of the American League and National League.

Manager Says Loss 'Shattered' Hagler

Washington Post Service WASHINGTON — "It kind of shattered his life," Marvyn Marvin Hagler's manager says of the fighter's reaction to his defeat in April by Sugar Ray Leonard. "I've told him he has a long way to go in life, and we want to see him happy," the manager, Pat Petronelli, said last week. "He's been a great champion. He hasn't been a phony — he always fought. We hate to see him not handling the situation."

IOC, Making Final Proposal, Would Widen N. Korean Role

LAUSANNE, Switzerland — The International Olympic Committee on Wednesday offered North Korea five sports in what it said is its last proposal in trying to solve the problem of the North's demand to co-host the 1988 Summer Games. IOC President Juan Antonio Samaranch said the package contains women's volleyball, the entire men's 100-kilometer cycling road race and all or parts of three sports included in an earlier plan — archery, table tennis, and a quarter of the preliminary soccer matches.

Recharged Norman Set for British Open

MUIRFIELD, Scotland — Greg Norman took a tip from Tom Watson and turned back his calendar, before beginning the defense of his British Open Golf Championship. "I think I've been trying too hard," said Norman before Thursday's first round of the 116th edition of the world's most ancient golf tournament.

Raines's Triple Wins All-Star Game in 13th

OAKLAND, California — They played through the heat of Tuesday's late afternoon and the vicious shadows of twilight and, finally, the cool of an East Bay evening. What had been the longest scoreless game in All-Star history finally ended three hours and 39 minutes after it began with Tim Lincecum's triple scoring two runs in the top of the 13th inning to give the National League a 2-0 victory before 49,671 at the Oakland Coliseum.

INTERNATIONAL CLASSIFIED (Continued From Back Page) - A large section containing various classified advertisements for travel, real estate, and services.

